

**Commonwealth Edison Company's Response to  
Staff's (RDL) Data Requests 4.01 – 4.04  
Dated: January 7, 2008**

**REQUEST NO. RDL 4.04:**

*Refer to ComEd's response to AG (MLB) 2.25 which states, in part, "Rider SMP is intended to focus not on projects designed to meet minimum service obligations, but to facilitate projects aimed at improving the distribution system or enhancing service to retail customers in ways that are beyond ComEd's basic service obligations."*

Does ComEd's definition of its "basic service obligations" and "minimum service obligations," as those terms are used in response to AG (MLB) 2.25, include the following obligations: reliable service and facilities, safe service and facilities, adequate service and facilities, efficient service and facilities, and least cost service and facilities?

**RESPONSE:**

To the extent that this data request seeks a legal conclusion, ComEd objects. Subject to this objection, and to the extent that it seeks ComEd's functional understanding of its minimum basic service obligations as that concept is used by ComEd's witnesses and in response to AG (MLB) 2.25, ComEd states that its basic service obligations are generally defined by a synthesis of the Illinois Public Utilities Act (220 ILCS Act 5), applicable Commission Orders and regulations, and ComEd's tariffs on file with the Illinois Commerce Commission. It refers to those services that ComEd is required to offer or provide, as opposed to those services that ComEd may offer or provide.

ComEd's obligations do generally include providing reliable service and facilities, safe service and facilities, adequate service and facilities, efficient service and facilities, and least cost service and facilities. However, those obligations, too, are not unlimited and do not require ComEd to provide any and all electric delivery services and/or delivery system facilities that customers might find beneficial.

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**ICC Docket No. 07-0566**  
**Commonwealth Edison Company's Response to**  
**People of the State of Illinois' ("AG")**  
**1<sup>st</sup> Set of Data Requests 2.01 – 2.31**  
**Dated: December 6, 2007**

**REQUEST NO. AG (MLB) 2.25:**

To what extent does the Company not expend its resources on plant replacement projects that are otherwise economically justified, because of concerns about delayed rate recovery in the absence of Rider SMP (or some other accelerated regulatory recovery tracking provisions)? Please respond with a detailed listing of economically justified plant replacement projects that could have been undertaken in 2006 and 2007, but were not undertaken because of such rate recovery considerations and also provide complete copies of the Company's economic analyses associated with each listed project.

**RESPONSE:**

The data request appears to misunderstand both the testimony ComEd submitted regarding Rider SMP (which does not focus on "plant replacement" projects) and the process for selection of capital investment projects ComEd undertakes to meet its basic service obligation.

ComEd's decisions to make plant investments are often driven by factors other than "economic justification." A great deal ComEd's capital spending is essentially non-discretionary because it is required to support ongoing operations and the necessary investments in infrastructure. Economic justifications may be considered in the choice of investment, where alternatives are available, but engineering justifications and requirements of other parties (customers and governmental bodies) often drive the need for such investment. To date, ComEd has not failed to make any investment required to meet its service obligations to its customers because of the absence of a mechanism like Rider SMP.

Rider SMP is intended to focus not on projects designed to meet minimum service obligations, but to facilitate projects aimed at improving the distribution system or enhancing service to retail customers in ways that are beyond ComEd's basic service obligations. Rider SMP would provide funding for a limited number of capital projects that can transform the system by incorporating advanced technologies and features that can help revolutionize the ways customers manage their electric usage and ComEd manages aspects of its system. ComEd has not studied what such projects it might have pursued in the past had a mechanism like Rider SMP been in place. ComEd's proposal is forward-looking.